

**X1 ENTERTAINMENT GROUP INC.**

as the Company

- and -

**ODYSSEY TRUST COMPANY**

as the Warrant Agent

**SUPPLEMENTAL WARRANT INDENTURE**

Dated as of October 19, 2022

**THIS SUPPLEMENTAL WARRANT INDENTURE** is dated as of October 19, 2022.

**BETWEEN:**

**X1 ENTERTAINMENT GROUP INC.**, a corporation existing under the laws of the Province of British Columbia (the “**Corporation**”)

- and -

**ODYSSEY TRUST COMPANY**, a trust company incorporated under the laws of the *Loan and Trust Corporations Act* (Alberta) with an office in the City of Calgary in the Province of Alberta (the “**Warrant Agent**”, together with the Corporation, the “**Parties**” and each a “**Party**”)

**WHEREAS:**

- A. The Corporation and the Warrant Agent executed a warrant indenture (the “**Warrant Indenture**”) dated as of June 29, 2022, governing the terms of the 8,944,445 common share purchase warrants (the “**Warrants**”) originally issued by the Corporation thereunder;
- B. Effective as of October 19, 2022 (the “**Effective Date**”), the Corporation changed its name from “X1 Esports and Entertainment Ltd.” to “X1 Entertainment Group Inc.” (the “**Name Change**”);
- C. The Parties have determined that it is appropriate to amend the Warrant Indenture to give effect to the Name Change;
- D. Section 8.1(h) of the Warrant Indenture provides that the Parties may amend the Warrant Indenture for any purpose not inconsistent with the terms of the Warrant Indenture, provided that in the opinion of the Warrant Agent the rights of the Warrant Agent and Warrantholders as a group are in no way prejudiced; and
- E. The Warrant Agent is of the opinion that the rights of the Warrant Agent and Warrantholders as a group are in no way prejudiced by the amendments set forth herein.

**NOW THEREFORE**, the Parties agree as follows:

**Amendment to Warrant Indenture**

The Warrant Indenture is hereby amended as follows:

- 1. Deleting Section 2.8(2) in its entirety and replacing it with:

“(2) Each CDS Global Warrant originally issued in Canada and held by the Depository, and each CDS Global Warrant issued in exchange therefor or in substitution thereof shall bear or be deemed to bear the following legend or such variations thereof as the Company may prescribe from time to time

“UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC.

("CDS") TO X1 ENTERTAINMENT GROUP INC. (THE "ISSUER") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO, OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE."

2. Deleting Section 10.1(1)(a) in its entirety and replacing it with:

“(a) If to the Company:

X1 Entertainment Group Inc.  
615 – 800 West Pender Street  
Vancouver, British Columbia, V6C 2V6

Attention: Latika Prasad, Director

Email: *[Redacted – personal information]*

with a copy (which shall not constitute notice) to:

McMillan LLP  
Suite 1500, 1055 West Georgia Street  
Vancouver, British Columbia, V6E 4N7  
PO Box 11117

Attention: Mark Neighbor

Email: *[Redacted – personal information]*

3. Deleting Schedule “A” in its entirety and replacing it with **Schedule “A”** attached hereto;
4. Deleting Schedule “B” in its entirety and replacing it with **Schedule “B”** attached hereto; and
5. Deleting Schedule “C” in its entirety and replacing it with **Schedule “C”** attached hereto

#### **Other**

6. This Supplemental Indenture is supplemental to the Warrant Indenture and the Warrant Indenture shall henceforth be read in conjunction with this Supplemental Indenture and all the provisions of the Warrant Indenture, except only insofar as the same may be inconsistent with the express provisions hereof, shall apply and have the same effect as if all the provisions of the Warrant Indenture and of this Supplemental Indenture were contained in one instrument and the expressions

used herein shall have the same meaning as is ascribed to the corresponding expressions in the Warrant Indenture.

7. On and after the date hereof, each reference to the Warrant Indenture, as amended by this Supplemental Indenture, “this Warrant Indenture”, “this Indenture”, “herein”, “hereby”, and similar references, and each reference to the Warrant Indenture in any other agreement, certificate, document or instrument relating thereto, shall mean and refer to the Warrant Indenture as amended hereby. Except as specifically amended by this Supplemental Indenture, all other terms and conditions of the Warrant Indenture shall remain in full force and unchanged.
8. The Warrant Indenture shall be and continue to be in full force and effect, unamended, except as provided herein, and the Corporation hereby confirms the Warrant Indenture in all other respects.
9. This Supplemental Indenture shall be governed by and be construed in accordance with the laws of the Province of British Columbia and shall be binding upon the Parties hereto and their respective successors and assigns.
10. This Supplemental Indenture may be simultaneously executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution shall be deemed to bear the date set out at the top of the first page of this Supplement Indenture.
11. All capitalized terms used and not otherwise defined in this Supplemental Indenture shall have the meanings ascribed to them in the Warrant Indenture.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

**IN WITNESS WHEREOF** the Parties hereto have executed this Supplemental Indenture under the hands of their proper officers in that behalf.

**X1 ENTERTAINMENT GROUP INC.**

By: (signed) "Mark Elfenbein"  
Name: Mark Elfenbein  
Title: CEO

**ODYSSEY TRUST COMPANY**

By: (signed) "Dan Sander"  
Name: Dan Sander  
Title: President, Corporate Trust

By: (signed) "Amy Douglas"  
Name: Amy Douglas  
Title: Director, Corporate Trust

**Schedule “A”**

[see attached]

**FORM OF WARRANT**

THE WARRANTS REPRESENTED HEREBY WILL BE VOID AND OF NO VALUE AFTER 4:30 PM (PACIFIC TIME) ON JUNE 29, 2024.

*For all Warrants sold outside the United States and registered in the name of the Depository, include the following legend:*

**(INSERT IF BEING ISSUED TO CDS)** UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. (“CDS”) TO X1 ENTERTAINMENT GROUP INC. (THE “ISSUER”) OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE.

**WARRANT**

To acquire Shares of

**X1 ENTERTAINMENT GROUP INC.**

(incorporated pursuant to the laws of British Columbia)

Warrant  
Certificate No. ●

Certificate for \_\_\_\_\_  
Warrants, each entitling the holder to acquire one (1)  
Share (subject to adjustment as provided for in the  
Warrant Indenture (as defined below)

CUSIP: 983787110  
ISIN: CA9837871107

**THIS IS TO CERTIFY THAT**, for value received, \_\_\_\_\_  
\_\_\_\_\_ (the “**Warrantholder**”) is the registered holder of the number of common share purchase warrants (the “**Warrants**”) of X1 Entertainment Group Inc. (the “**Company**”) specified above, and is entitled, on exercise of these Warrants upon and subject to the terms and conditions set forth herein and in the Warrant Indenture, to purchase at any time before 4:30 p.m. (Pacific time) (the “**Expiry Time**”) on the date that is the earlier of (i) June 29, 2024 and (ii) the Accelerated Expiry Date (the “**Expiry Date**”), one fully paid and non-assessable common share without par value in the capital of the Company as constituted on the date hereof (a “**Share**”) for each Warrant at the Exercise Price (as defined herein) subject to adjustment in accordance with the terms of the Warrant Indenture.

For the purpose of this Warrant Certificate, (i) “**Accelerated Expiry Date**” means the accelerated expiry date for the Warrants set out in the Acceleration Notice; (ii) “**Acceleration Notice**” means a written notice of acceleration deliverable by the Company to Warrantholders upon the Company’s exercise of the Acceleration Right; and (iii) “**Acceleration Right**” means the right of the Company to accelerate the Expiry Date to a date that is no less than 30 days following the delivery of a valid Acceleration Notice in accordance with **Error! Reference source not found.** of the Warrant Indenture, if, at any time prior to the Expiry Date, the closing price of the Shares on the Exchange, or other principal exchange on which the Shares are listed, is equal to or greater than \$0.90 for 10 consecutive trading days and a press release is issued by the Company announcing the exercise of the Acceleration Right.

The right to purchase Shares may only be exercised by the Warrantholder within the time set forth above by:

- (a) duly completing and executing the exercise form (the “**Exercise Form**”) attached hereto; and
- (b) surrendering this warrant certificate (the “**Warrant Certificate**”), with the Exercise Form to the Warrant Agent at the principal office of the Warrant Agent, in the city of Vancouver, British Columbia, together with a certified cheque, bank draft or money order in the lawful money of Canada payable to or to the order of the Company in an amount equal to the purchase price of the Shares so subscribed for.

Subject to the terms of the Warrant Indenture, the surrender of this Warrant Certificate, the duly completed Exercise Form and payment as provided above will be deemed to have been effected only on personal delivery thereof to, or if sent by mail or other means of transmission on actual receipt thereof by, the Warrant Agent at its principal office as set out above.

Subject to adjustment thereof in the events and in the manner set forth in the Warrant Indenture hereinafter referred to, the exercise price payable for each Share upon the exercise of Warrants shall be \$0.70 per Share (the “**Exercise Price**”).

Certificates for the Shares subscribed for will be mailed to the persons specified in the Exercise Form at their respective addresses specified therein or, if so specified in the Exercise Form, delivered to such persons at the office where this Warrant Certificate is surrendered. If fewer Shares are purchased than the number that can be purchased pursuant to this Warrant Certificate, the holder hereof will be entitled to receive without charge a new Warrant Certificate in respect of the balance of the Shares not so purchased. No fractional Shares will be issued upon exercise of any Warrant.

This Warrant Certificate evidences Warrants of the Company issued or issuable under the provisions of a warrant indenture (which indenture together with all other instruments supplemental or ancillary thereto is herein referred to as the “**Warrant Indenture**”) dated as of June 29, 2022 between the Company and Odyssey Trust Company, as Warrant Agent, to which Warrant Indenture reference is hereby made for particulars of the rights of the holders of Warrants, the Company and the Warrant Agent in respect thereof and the terms and conditions on which the Warrants are issued and held, all to the same effect as if the provisions of the Warrant Indenture were herein set forth, to all of which the holder, by acceptance hereof, assents. The Company will furnish to the holder, on request and without charge, a copy of the Warrant Indenture. Capitalized terms used but not otherwise defined herein have the meaning ascribed to them in the Warrant Indenture.

On presentation at the principal office of the Warrant Agent as set out above, subject to the provisions of the Warrant Indenture and in compliance with the reasonable requirements of the Warrant Agent, one or more Warrant Certificates may be exchanged for one or more Warrant Certificates entitling the holder



thereof to purchase in the aggregate an equal number of Shares as are purchasable under the Warrant Certificate(s) so exchanged.

Neither the Warrants nor the Shares issuable upon exercise hereof have been or will be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any U.S. state securities laws. These Warrants may not be exercised in the United States, or by or for the account or benefit of a U.S. Person or a person in the United States, unless the Warrants and the Shares issuable upon exercise of the Warrants have been registered under the U.S. Securities Act and applicable state securities laws, or an exemption from such registration requirements is available. Certificates representing Shares issued in the United States or to U.S. Persons will bear a legend restricting the transfer and exercise of such securities under applicable United States federal and state securities laws. “**United States**” and “**U.S. person**” are as defined in Regulation S under the U.S. Securities Act.

The Warrant Indenture contains provisions for the adjustment of the Exercise Price payable for each Share issuable upon the exercise of Warrants and the number of Shares issuable upon the exercise of Warrants in the events and in the manner set forth therein.

The Warrant Indenture also contains provisions binding all holders of Warrants outstanding thereunder, including all resolutions passed at meetings of holders of Warrants held in accordance with the provisions of the Warrant Indenture and instruments in writing signed by Warrantholders of Warrants entitled to purchase a specific majority of the Shares that can be purchased pursuant to such Warrants.

Nothing contained in this Warrant Certificate, the Warrant Indenture or elsewhere shall be construed as conferring upon the Warrantholder hereof any right or interest whatsoever as a holder of Shares or any other right or interest except as herein and in the Warrant Indenture expressly provided. In the event of any discrepancy between anything contained in this Warrant Certificate and the terms and conditions of the Warrant Indenture, the terms and conditions of the Warrant Indenture shall govern.

Warrants may only be transferred in compliance with the conditions of the Warrant Indenture on the register to be kept by the Warrant Agent in Vancouver, British Columbia, or such other registrar as the Company, with the approval of the Warrant Agent, may appoint at such other place or places, if any, as may be designated, upon surrender of this Warrant Certificate to the Warrant Agent or other registrar accompanied by a written instrument of transfer in form and execution satisfactory to the Warrant Agent or other registrar and upon compliance with the conditions prescribed in the Warrant Indenture and with such reasonable requirements as the Warrant Agent or other registrar may prescribe and upon the transfer being duly noted thereon by the Warrant Agent or other registrar. Time is of the essence hereof.

This Warrant Certificate will not be valid for any purpose until it has been countersigned by or on behalf of the Warrant Agent from time to time under the Warrant Indenture.

The parties hereto have declared that they have required that these presents and all other documents related hereto be in the English language. Les parties aux présentes déclarent qu’elles ont exigé que la présente convention, de même que tous les documents s’y rapportant, soient rédigés en anglais.

**IN WITNESS WHEREOF** the Company has caused this Warrant Certificate to be duly executed as of June \_\_\_\_, 2022.

**X1 ENTERTAINMENT GROUP INC.**

By: \_\_\_\_\_  
Authorized Signatory

Countersigned and Registered by:

**ODYSSEY TRUST COMPANY**

By: \_\_\_\_\_  
Authorized Signatory

**FORM OF TRANSFER**

**To: Odyssey Trust Company**

ANY TRANSFER OF WARRANTS WILL REQUIRE COMPLIANCE WITH APPLICABLE SECURITIES LEGISLATION. TRANSFERORS AND TRANSFEREES ARE URGED TO CONTACT LEGAL COUNSEL BEFORE EFFECTING ANY SUCH TRANSFER.

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers to

\_\_\_\_\_ (print name and address) the Warrants represented by this Warrant Certificate and hereby irrevocably constitutes and appoints \_\_\_\_\_ as its attorney with full power of substitution to transfer the said securities on the appropriate register of the Warrant Agent.

**THE UNDERSIGNED TRANSFEROR HEREBY CERTIFIES AND DECLARES** that the Warrants are not being offered, sold or transferred to, or for the account or benefit of, a U.S. Person (as defined in Regulation S under the U.S. Securities Act of 1933 as amended (the “**U.S. Securities Act**”)) or a person within the United States unless registered under the U.S. Securities Act and any applicable state securities laws or unless an exemption from such registration is available.

Warrants shall only be transferable in accordance with the Warrant Indenture and all Applicable Laws. Without limiting the foregoing, if the Warrant Certificate bears a legend restricting the transfer of the Warrants except pursuant to an exemption from registration under the U.S. Securities Act, this Form of Transfer must be accompanied by a Form of Declaration for Removal of Legend in the form attached as Schedule “C” to the Warrant Indenture (or such other form as the Company may prescribe from time to time), or a written opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Company and to the Warrant Agent to the effect that the transfer is exempt from registration under the U.S. Securities Act and applicable state securities laws.

In the case of a Warrant Certificate that does not contain a U.S. restrictive legend, if the proposed transfer is to, or for the account or benefit of, a U.S. Person or a person in the United States, the undersigned transferor hereby represents, warrants and certifies that the transfer of the Warrants is being completed pursuant to an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws, in which case the undersigned transferor has furnished to the Company and the Warrant Agent an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Company to such effect.

If transfer is to, or for the account or benefit of, a U.S. Person or a person in the United States, check this box.

**THE UNDERSIGNED TRANSFEROR HEREBY CERTIFIES AND DECLARES** that, unless the foregoing box is checked, the Warrants are not being offered, sold or transferred to, or for the account or benefit of, a “**U.S. person**” or a person within the “**United States**” (as such terms are defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and any applicable state securities laws or unless an exemption from such registration is available.

DATED this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

**SPACE FOR GUARANTEES OF )  
SIGNATURES (BELOW) )**

\_\_\_\_\_) Signature of Transferor  
)  
)  
)  
\_\_\_\_\_) Name of Transferor  
)  
)  
Guarantor's Signature/Stamp

**REASON FOR TRANSFER – For U.S. Residents only (where the individual(s) or corporation receiving the securities is a U.S. resident). Please select only one (see instructions below).**

Gift       Estate       Private Sale       Other (or no change in ownership)

**Date of Event (Date of gift, death or sale):      Value per Warrant on the date of event:**

\_\_\_\_/\_\_\_\_/\_\_\_\_

\$ \_\_\_\_\_  CAD OR  USD

**CERTAIN REQUIREMENTS RELATING TO TRANSFERS – READ CAREFULLY**

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. All securityholders or a legally authorized representative must sign this form. The signature(s) on this form must be guaranteed in accordance with the transfer agent's then current guidelines and requirements at the time of transfer. Notarized or witnessed signatures are not acceptable as guaranteed signatures. As at the time of closing, you may choose one of the following methods (although subject to change in accordance with industry practice and standards):

- **Canada and the United States:** A Medallion Signature Guarantee obtained from a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Many commercial banks, savings banks, credit unions, and all broker dealers participate in a Medallion Signature Guarantee Program. The Guarantor must affix a stamp bearing the actual words "Medallion Guaranteed", with the correct prefix covering the face value of the certificate.
- **Canada:** A Signature Guarantee obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust. The Guarantor must affix a stamp bearing the actual words "Signature Guaranteed", sign and print their full name and alpha numeric signing number. Signature Guarantees are not accepted from Treasury Branches, Credit Unions or Caisse Populaires unless they are members of a Medallion Signature Guarantee Program. For corporate holders, corporate signing resolutions, including certificate of incumbency, are also required to accompany the transfer, unless there is a "Signature & Authority to Sign Guarantee" Stamp affixed to the transfer (as opposed to a "Signature Guaranteed" Stamp) obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust or a Medallion Signature Guarantee with the correct prefix covering the face value of the certificate.

- **Outside North America:** For holders located outside North America, present the certificate(s) and/or document(s) that require a guarantee to a local financial institution that has a corresponding Canadian or American affiliate which is a member of an acceptable Medallion Signature Guarantee Program. The corresponding affiliate will arrange for the signature to be over-guaranteed.

**OR**

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. The signature(s) on this form must be guaranteed by an authorized officer of Royal Bank of Canada, Scotia Bank or TD Canada Trust whose sample signature(s) are on file with the transfer agent, or by a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Notarized or witnessed signatures are not acceptable as guaranteed signatures. The Guarantor must affix a stamp bearing the actual words: “SIGNATURE GUARANTEED”, “MEDALLION GUARANTEED” OR “SIGNATURE & AUTHORITY TO SIGN GUARANTEE”, all in accordance with the transfer agent’s then current guidelines and requirements at the time of transfer. For corporate holders, corporate signing resolutions, including certificate of incumbency, will also be required to accompany the transfer unless there is a “SIGNATURE & AUTHORITY TO SIGN GUARANTEE” Stamp affixed to the Form of Transfer obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust or a “MEDALLION GUARANTEED” Stamp affixed to the Form of Transfer, with the correct prefix covering the face value of the certificate.

**REASON FOR TRANSFER – FOR U.S. RESIDENTS ONLY**

Consistent with U.S. IRS regulations, Odyssey is required to request cost basis information from U.S. securityholders. Please indicate the reason for requesting the transfer as well as the date of event relating to the reason. The event date is not the day in which the transfer is finalized, but rather the date of the event which led to the transfer request (i.e. date of gift, date of death of the securityholder, or the date the private sale took place).

**Schedule "B"**

[see attached]

**EXERCISE FORM**

**TO: X1 ENTERTAINMENT GROUP INC.**

**AND TO: Odyssey Trust Company**

The undersigned holder of the Warrants evidenced by this Warrant Certificate hereby exercises the right to acquire \_\_\_\_\_ (A) Shares of X1 Entertainment Group Inc.

Exercise Price Payable: \_\_\_\_\_  
((A) multiplied by \$0.70, subject to adjustment)

The undersigned hereby exercises the right of such holder to be issued, and hereby subscribes for, Shares that are issuable pursuant to the exercise of such Warrants on the terms specified in such Warrant Certificate and in the Warrant Indenture.

Any capitalized term in this Warrant Certificate that is not otherwise defined herein, shall have the meaning ascribed thereto in the Warrant Indenture.

The undersigned represents, warrants and certifies as follows (one (only) of the following must be checked):

- (A) the undersigned holder at the time of exercise of the Warrants (a) is not in the United States, (b) is not a U.S. Person, (c) is not exercising the Warrants for the account or benefit of a U.S. Person or a person in the United States, (d) did not execute or deliver this exercise form in the United States, and (e) delivery of the underlying Shares will not be to an address in the United States; OR
- (B) the undersigned holder (a) is exercising the Warrants for its own account or for the account of a disclosed principal that was named in the agreement pursuant to which it purchased the Units of which the Warrants formed a constituent part, and (b) is, and such disclosed principal, if any, is an "accredited investor" as defined in Rule 501(a) of Regulation D under the U.S. Securities Act at the time of exercise of these Warrants, and the representations and warranties of the holder made in the original subscription agreement, including a duly executed U.S. Accredited Investor Certificate, remain true and correct as of the date of exercise of these Warrants.

It is understood that the Company and Odyssey Trust Company may require evidence to verify the foregoing representations.

Notes:

- (1) Certificates will not be registered or delivered to an address in the United States unless Box B above is checked and the applicable requirements are complied with.

"United States" and "U.S. Person" are as defined in Rule 902 of Regulation S under the U.S. Securities Act.

The undersigned hereby irrevocably directs that the said Shares be issued, registered and delivered as follows:

Name(s) in Full and Social Insurance Number(s) (if applicable)	Address(es)	Number of Shares
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Please print full name in which certificates representing the Shares are to be issued. If any Shares are to be issued to a person or persons other than the registered holder, the registered holder must pay to the Warrant Agent all eligible transfer taxes or other government charges, if any, and the Form of Transfer must be duly executed.

Once completed and executed, this Exercise Form must be mailed or delivered to **Odyssey Trust Company, c/o Corporate Trust**.

**DATED** this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

	)	
	)	
_____	)	_____
Witness	)	(Signature of Warrantholder, to be the same as
	)	appears on the face of this Warrant Certificate)
	)	_____
		Name of Registered Warrantholder

Please check if the certificates representing the Shares are to be delivered at the office where this Warrant Certificate is surrendered, failing which such certificates will be mailed to the address set out above. Certificates will be delivered or mailed as soon as practicable after the surrender of this Warrant Certificate to the Warrant Agent.



**Schedule “C”**

[see attached]

**FORM OF DECLARATION –  
RULE 904 UNDER THE U.S. SECURITIES ACT OF 1933**

To: X1 Entertainment Group Inc. (the “Company”)

To: The registrar and transfer agent for the common shares of the Company

The undersigned (A) acknowledges that the sale of \_\_\_\_\_ common shares of the Company to which this declaration relates, represented by certificate number \_\_\_\_\_ or held in direct registration system (DRS) account number \_\_\_\_\_, is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), and (B) certifies that (1) the undersigned (a) is not an “affiliate” of the Company, as that term is defined in Rule 405 under the U.S. Securities Act, or is an affiliate solely by virtue of being an officer or director of the Company, (b) is not a “distributor” as defined in Regulation S, and (c) is not an affiliate of a distributor; (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or any other “designated offshore securities market”, and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of “washing off” the resale restrictions imposed because the securities are “restricted securities” (as that term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace such securities with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

**DATED** this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**X** \_\_\_\_\_  
Signature of individual (if Seller is an individual)

**X** \_\_\_\_\_  
Authorized signatory (if Seller is **not** an individual)

\_\_\_\_\_  
Name of Seller (**please print**)

\_\_\_\_\_  
Name of authorized signatory (**please print**)

\_\_\_\_\_  
Official capacity of authorized signatory (**please print**)

**Affirmation by Seller's Broker-Dealer**  
**(Required for sales pursuant to Section (B)(2)(b) above)**

We have read the foregoing representations of \_\_\_\_\_ (the "Seller") dated \_\_\_\_\_, pursuant to which the Seller has requested that we sell, for the Seller's account, \_\_\_\_\_ common shares of the Company represented by certificate number \_\_\_\_\_ or held in direct registration system (DRS) account number \_\_\_\_\_ (the "Common Shares"). We have executed sales of the Common Shares pursuant to Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), on behalf of the Seller. In that connection, we hereby represent to you as follows:

- (1) no offer to sell Common Shares was made to a person in the United States;
- (2) the sale of the Common Shares was executed in, on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another "designated offshore securities market" (as defined in Regulation S under the U.S. Securities Act), and, to the best of our knowledge, the sale was not pre-arranged with a buyer in the United States;
- (3) no "directed selling efforts" were made in the United States by the undersigned, any affiliate of the undersigned, or any person acting on behalf of the undersigned; and
- (4) we have done no more than execute the order or orders to sell the Common Shares as agent for the Seller and will receive no more than the usual and customary broker's commission that would be received by a person executing such transaction as agent.

For purposes of these representations: "**affiliate**" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the undersigned; "**directed selling efforts**" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Common Shares (including, but not be limited to, the solicitation of offers to purchase the Common Shares from persons in the United States); and "**United States**" means the United States of America, its territories or possessions, any State of the United States, and the District of Columbia.

Legal counsel to the Company shall be entitled to rely upon the representations, warranties and covenants contained herein to the same extent as if this affirmation had been addressed to them.

\_\_\_\_\_  
Name of Firm

By: \_\_\_\_\_  
Authorized Officer

Dated: \_\_\_\_\_